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Sustainable development and international economic cooperation

Letter dated 28 June 1999 from the Permanent Representative of Kenya to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the final communiqué of the Fourth Summit of the Authority of Heads of State and Government of the Common Market for Eastern and Southern Africa (COMESA), held in Nairobi on 24 and 25 May 1999, under the theme "Countdown to the COMESA free trade area: 31 October 2000" (see annex).

I should be grateful if you would have the text of the present letter and its annex circulated as a document of the General Assembly under items 98 and 100 of the preliminary list.

(Signed) Njuguna M. **Mahugu**, OGW
Ambassador
Permanent Representative

* A/54/50.

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Annex

[Original: English and French]

Final Communique of the Fourth Summit of the Authority of Heads of State and Government

Nairobi, Kenya: 24-25 May 1999

The Fourth Summit of the COMESA Authority of Heads of State and Government was held in Nairobi, Republic of Kenya from May 24 to 25, 1999 under the theme: "Countdown to the COMESA Free Trade Area - 31st October, 2000".

The Summit was attended by the following Heads of State and Government:

(a) His Excellency Daniel Toroitich arap Moi, President of the Republic of Kenya.

(b) His Excellency Mr. Frederick Chiluba, President of the Republic of Zambia.

(c) His Excellency Mr. Robert G. Mugabe, President of the Republic of Zimbabwe.

(d) His Excellency Yoweri K. Museveni, President of the Republic of Uganda.

(e) His Excellency Dr. Sam Nujoma, President of the Republic of Namibia.

(f) His Excellency Benjamin W. Mkapa, President of the United Republic of Tanzania.

(g) His Excellency General Omar El-Bashir, President of the Republic of the Sudan.

(h) His Excellency Dr. Bakili Muluzi, President of the Republic of Malawi.

(i) His Excellency Pasteur Bizimungu, President of the Republic of Rwanda.

(j) His Excellency Laurent D. Kabila, President of the Democratic Republic of Congo.

(k) His Excellency Pierre Buyoya, President of the Republic of Burundi.

(l) His Excellency Mr. Ismail Omar Guelieh, President of the Republic of Djibouti.

The following Plenipotentiaries represented their countries:

(a) His Excellency the Right Honourable Arthur Khoza, Deputy Prime Minister of the Kingdom of Swaziland.

(b) His Excellency Mr. Amre Moussa, Minister of Foreign Affairs of the Arab Republic of Egypt.

(c) Honourable Rundheersing M. Bheenick, Minister for Economic Development, Productivity & Regional Development, Mauritius.

(d) Honourable Ms. Lila Hanitra Ratsifandrihamanana, Minister of Foreign Affairs of Madagascar.

(e) Honourable Jeremie Bonnelame, Minister for Foreign Affairs of Seychelles.

(f) Honourable Ali Said Abdalla, Minister for Trade and Industry of Eritrea.

(g) His Excellency Dr. Mulatu Teshome, Vice Minister of Economic Development and Co-operation of Ethiopia.

(h) Honourable Mohammed Munir Chanudhri, Minister of Finance of the Federal Islamic Republic of Comoros.

The following represented their Organizations at the Summit:

His Excellency K.Y, Amoako, Executive Secretary of the UN Economic Commission for Africa; His Excellency Vijay S. Makhan, Assistant Secretary General, Organization of African Unity (OAU); His Excellency Dr. Kaire Mbuenda, Executive Secretary, Southern African Development Community

(SADC); Dr. Tekeste Ghabray, Executive Secretary of the Intergovernmental Authority on Development (IGAD); Ambassador Francis Muthaura, Executive Secretary, East African Co-operation (EAC); Mr. Phillip Lowe, Director-General (DG VIII), Commission of the European Union (EU); Mr. G, Gondwe, Director, African Department, International Monetary Fund (IMF); Mr. Peter Magande, Secretary General, African Caribbean Pacific (ACP); Mr. Caabi E. Mohamed, Secretary General, Indian Ocean Commission (OIC); Mr. Martin Ogang, President, Eastern and Southern African Trade and Development Bank (PTA Bank); Mr. Shadrack Lubasi, Managing Director, PTA Re-Insurance Company (ZEP-RE); Mr. Ali Mansoor, Executive Secretary, COMESA Clearing House; Dr. Robert Arunga, Director, Leather and Leather products Institute (LLPI); Mr. Rolf W. Boehnke, Managing Director, Common Fund for Commodities (CFC).

The following countries attended as Observers: The United States of America; Republic of France; the Netherlands and the United Kingdom.

The following Organizations were also represented: Food and Agriculture Organization (FAO); International Centre for Insect Physiology and Ecology (ICIPE); and Eastern and Southern African Management Institute (ESAMI).

The Chairman of the Authority, President F.J.T. Chiluba, called the Summit to order and expressed gratitude to President Moi, the Government and the people of Kenya for the excellent hospitality accorded to all the delegations and for hosting the Summit. President Chiluba then invited His Excellency President Moi to address the Summit.

His Excellency Daniel arap Moi, President of the Republic of Kenya, expressed the delight of Kenya in welcoming his distinguished colleagues and other delegates and said that the Fourth COMESA Summit represented a step forward in the pursuit of common goals. The task of Summit, H.E. President Moi noted, was to design strategies for meeting the challenges facing the region and for harnessing opportunities that are emerging.

His Excellency President Moi emphasized the need to address the problems of globalization by improving market access, building capacity in regional economies for production and continuing to seek debt relief. He further stressed that nobody would solve African problems except Africans themselves and, in this regard, emphasized the need for peace and security in the region.

His Excellency President Moi was happy to note progress COMESA had made in implementing policies agreed to by Member States and stressed the need to meet the commitments made under COMESA and to work together as a region in other international fora.

In concluding, President Moi expressed thanks to President Frederick Chiluba and his Bureau for the excellent work they had done over the past two years.

His Excellency Frederick J.T. Chiluba, President of the Republic of Zambia and outgoing Chairman of the Authority delivered a key note address in which he thanked President Moi, on behalf of his colleagues and on his own behalf, for hosting the Summit and for the warm hospitality extended to all his distinguished colleagues.

President Chiluba noted that in a fast changing globalizing and competitive world, there was need to strengthen the COMESA integration arrangement so as to provide a springboard for investment, creation of wealth and economic growth.

President Chiluba also highlighted the achievements of COMESA during his two year term of office. Those he noted included the purchase of a permanent building for COMESA, the re-organization of the Secretariat, progress towards establishment of the Free Trade Area, the development of the programme on free trade in services, the establishment of the COMESA Telecommunications Company (COMTEL), the development of the programme on enhancing investment opportunities in COMESA, the establishment of the COMESA Court of Justice and increased co-operation with development partners. President Chiluba, however, noted that there was still need to prevent conflicts so as to preserve peace and security which are pre-requisites to social and economic development.

H.E. President Sam Nujoma of the Republic of Namibia gave the vote of thanks. President Nujoma thanked H.E. President Moi and the people of the Republic of Kenya for hosting the Fourth Summit and for their hospitality, and

congratulated President Moi on his assumption of the leadership of COMESA for the next two years. He then thanked President F.J.T. Chiluba for the able manner in which he had steered the affairs of COMESA during the past two years and for the crucial role the COMESA Bureau has played.

President Nujoma emphasized the need to strive to make COMESA a better place for our children and the generations to come and the need for COMESA countries to complement each other. He looked forward to seeing the establishment of a single COMESA telecommunications network and to an air services network joining the whole region together. President Nujoma then proposed a new Bureau comprising of Kenya (Chairman), Mauritius (Vice-Chairman), Zambia (Rapporteur).

President Ismail Omar Guelieh of the Republic of Djibouti seconded the proposal by President Nujoma for electing the new Bureau. President Guelieh extended gratitude to President Chiluba for his excellent support to COMESA over the past two years and to President Moi for the warm hospitality extended to all delegations.

The Authority unanimously elected His Excellency Daniel Toroitich arap Moi, President of the Republic of Kenya, as Chairman; the Right Honourable Navinchandra Ramgoolam, Prime Minister of Mauritius as Vice-Chairman; and His Excellency Mr. Frederick J.T. Chiluba, President of the Republic of Zambia, as Rapporteur for a two year term.

President Moi, in his acceptance speech, expressed gratitude to his colleagues for the confidence placed in him and assured the Summit that together with his Bureau, they would do everything possible to ensure the continued success of COMESA. President Moi noted that a region, COMESA still had many challenges to fulfill especially with the immediate goal to achieve a COMESA Free Trade Area by 31st October, 2000. He also stressed the need to maintain peace and security which, he noted, were pre-requisites for economic development to take place.

After the formal opening of the Summit, the Authority:

CONSIDERED and ADOPTED the Report of the Seventh Meeting of the Council of Ministers relating to COMESA activities and programmes.

AGREED to commence a "COUNTDOWN TO THE COMESA Free Trade Area: 31st October, 2000" beginning with the adherence by all the Member States to the provisions of the COMESA Treaty to publish zero tariffs in accordance with the agreed schedule, except those with a derogation.

AGREED on the need for each Member State to intensify efforts to eliminate non-tariff barriers and other obstacles to trade.

AGREED that Member States should ensure that there is full compliance with the Treaty provisions relating to the standstill provisions under Article 46(3) of the COMESA Treaty not to vary import duties which have been reduced.

EXPRESSED the need for Member States to refrain from taking unilateral action on the grounds of protection of infant industries, revenues or balance of payments by observing the obligations provided in Articles 49(2) and 61 of the COMESA Treaty.

APPRECIATED the unique situation of Namibia and Swaziland and support their efforts to re-negotiate the democratization of the Southern African Customs Union (SACU) Agreement.

DIRECTED the Secretariat to study the issue of bilateral agreements and ensure that they are all consistent with the objectives of COMESA.

NOTED that the elimination of intra-COMESA tariffs could worsen uneven levels of development between Member States, and directed the Secretariat to explore appropriate compensatory mechanisms.

AGREED on the application by the Member States of the GATT Valuation Code of the World Trade Organization (WTO) and levying of customs duties on the basis of the Code.

ENDORSED Council decision that all the Member States adopt the Harmonized Commodity Description and Coding System 1996 (HS 1996 Code) prepared to 8 digits for customs and statistics purposes.

ADOPTED the recommendations of the Council on the implementation of the activities necessary for publicizing the launching of the COMESA Free Trade Area.

DECIDED that a co-ordinating body of experts from Central Banks and Ministries of Finance be formed to oversee the implementation of policy measures on economic policy co-ordination and harmonization towards the eventual goal of a monetary union.

AGREED that Member States, particularly those with growing cross border trade, investment and tourism, introduce limited currency convertibility between themselves in order to reduce transaction costs, facilitate the flow of trade and investment and promote the use of regional currencies.

ENDORSED Council decision to establish a special Free Trade Area Committee comprising Kenya, Mauritius, Zambia, Uganda, Egypt, Zimbabwe, Malawi and the Democratic Republic of Congo to assist in the preparatory activities that will culminate in the launching of the COMESA FTA on 31st October, 2000.

URGED Member States that had not yet undertaken individual country studies on their industrial structures for the Rules of Origin Study to carry them out and finalize them as soon as possible.

AGREED that all the Member States should seriously address the Y2K.

ENDORSED the need for implementation of the COMESA liberalized air transport regulations adopted by the Seventh Council of Ministers.

RECALLED the Kinshasa decision to establish the COMESA Telecommunications Company and directed COMESA Ministers of Transport

and Communications and National Telecommunications Operators to expedite the launching of the Company.

ENDORSED the need for the Member States to support FEMCOM in the establishment of Information Business Centres and the development of Teletrade Centres especially in the rural areas.

URGED Member States that have not yet ratified the COMESA Treaty and other COMESA Legal Instruments to do so as soon as possible.

ENDORSED the need for the Member States to maintain a co-ordinated common approach within the OAU framework to ongoing negotiations under the World Trade Organization and future ACP/EU Relations.

REAFFIRMED the need for the Member States that are not yet members of the PTA Bank to take up their membership of the institution as soon as possible.

AGREED that COMESA co-ordinating ministries should follow-up the decisions concerning ZEP-RE regarding the need to accede to the Agreement establishing ZEP-RE, facilitate business cessions and subscribe to the share capital of the institution, by ensuring that those decisions are implemented.

DIRECTED the Secretariat to work out the modalities for establishing a Regional Investment Agency to promote the region as a Common Investment Area.

RECALLING the Authority decision declaring the COMESA region as a "Common Investment Area", directed the Secretariat to finalize the details on its implementation, including identification of national, regional and cross border projects and programmes that would contribute to balanced and sustainable development of the region.

ENDORSED the decision of Council regarding the need to establish an Africa Guarantee Facility for covering political risk in intra-COMESA and international trade and to continue work on a Fast Payment Facility to allow

exporters to be paid with certainty and speed while doing away with outside confirmation of Letters of Credit.

APPRECIATED the support of COMESA programmes by al co-operating partners and requested all co-operating partners to continue support to COMESA programmes that are essential for the effective functioning of the Free Trade Area and integration of the COMESA region into the world economy.

RECOGNIZING the progress already made in co-ordination between COMESA and other regional economic groupings, agreed on the need for continued harmonization of their programmes with a view to avoiding duplication and competitive arrangements and directed the Bureau of Council to initiate dialogue with Bureau of other regional economic groupings within the framework of the African Economic Community.

RECALLING that the Member States are committed under Articles 3 and 6 of the COMESA Treaty, to co-operate in the promotion of peace, security and stability, decided that the COMESA Ministers of Foreign Affairs be convened at least once a year to consider modalities of promoting peace and security in collaboration with the OAU mechanisms for conflict management, prevention and resolution and to report to the Authority.

CONCERNED that the prevalence of conflicts in the region is a hindrance to regional economic integration and taking into account the resolutions of the OAU and UN on those conflicts, agreed on the need for all the Member States to strive for peace, security and stability in the region as provided under Article 163 of the COMESA Treaty and urged Member States to continue to seek peaceful solutions to those conflicts within the framework of the OAU and in accordance with the United Nations Security Council resolutions.

EXPRESSED gratitude to His Excellency Daniel Toroitich arap Moi, President of the Republic of Kenya, the Government and the people of the Republic of Kenya, for the warm and fraternal hospitality extended to all the delegations.

His Excellency Yoweri K. Museveni, President of the Republic of Uganda moved a vote of thanks. President Museveni expressed gratitude to President Moi on behalf of the other members of the Authority and on his behalf for the excellent support extended to all delegations.

His Excellency President Museveni expressed his conviction that each delegation would leave the Fourth Summit with a renewed zeal and commitment to ensure speedy implementation of COMESA programmes.

Honourable R. Bheenick, Minister of Economic Development and Regional Co-operation and Plenipotentiary of Mauritius then conveyed the invitation from the Right Honourable Dr. N. Ramgoolam, Prime Minister of the Republic of Mauritius to all the Heads of State and Government of COMESA offering to host the next Summit of 2000 in Mauritius.

His Excellency Amre Moussa, Minister of Foreign Affairs and Plenipotentiary Extraordinary also made a statement. His Excellency Amre Moussa extended the greetings of His Excellency President Hosni Mubarak to all his colleagues. His Excellency Amre Moussa also expressed gratitude to President Moi, the people and Government of the Republic of Kenya for the excellent hospitality extended to all the delegations. His Excellency Amre Moussa then conveyed to the Authority the invitation of His Excellency President Hosni Mubarak to all the Heads of State and Government to host the COMESA Summit of 2001 in Cairo, Egypt.

His Excellency President Daniel Toroitich arap Moi in closing the Summit thanked his colleagues for their attendance. President Moi noted that the Summit had taken important decisions and he then called for the timely implementation of all COMESA programmes.

The Authority adopted its Final Communique as read by the Chairman of the Council of Ministers, Honourable Nicholas K. Biwott, Minister of East African and Regional Co-operation of the Republic of Kenya.

DONE at Nairobi in the Republic of Kenya on 25th May, 1999 in the English and French languages, both texts being equally authentic.